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United States  
Department of  
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Foreign  
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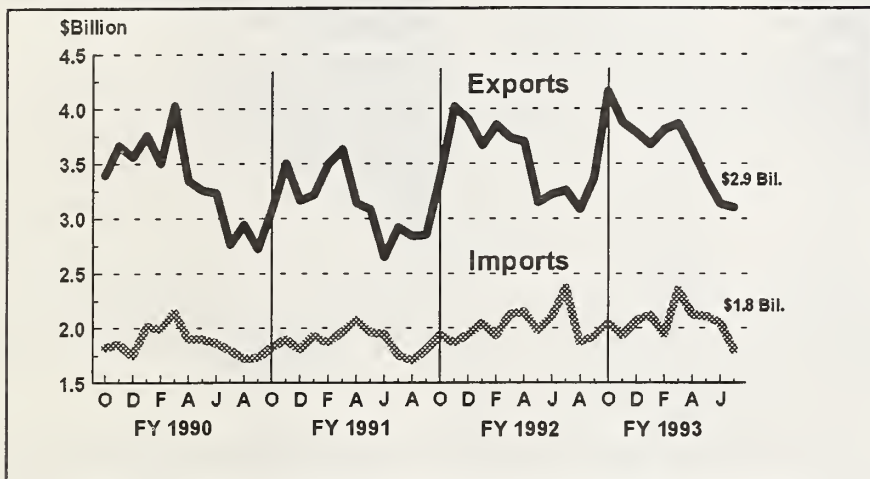
Circular Series

ATH 10 93  
October 1993

# Agricultural Trade Highlights

## Agricultural Exports Continue to Fall

Double-digit Consumer Foods Gain Offset by Lower Bulk Sales



August trade statistics released on October 15 by the Commerce Department placed the value of U.S. agricultural exports at \$2.9 billion, down five percent from the same month last year and down 4 percent from July's level. Compared to the levels of one year ago, broad-based gains in high-value, consumer food shipments were more than offset by double-digit declines in bulk and intermediate products. In fact, the value of consumer food exports exceeded bulk commodity exports in August, which is the first time this has ever happened in a given month.

At \$1.1 billion in August, U.S. exports of bulk commodities were down 15 percent from the same month last year. Double-digit declines for coarse grains, soybeans and wheat more than offset increases for rice and tobacco. Weaker performance in August brought bulk commodity exports to \$17.7 billion for the first 11 months of FY 1993, or three percent less than the same period last year.

At \$621 million in August, U.S. exports of intermediate products were down 13 percent from the same month last year. Double-digit declines for soybean oil, soybean meal and planting seeds more than offset increases for sweeteners and vegetable oil. Weaker performance in August brought intermediate product exports to \$8.2 billion for the first 11 months of FY 1993, or three percent less than the same period last year.

U.S. exports of consumer-oriented high-value foods continued to rise in August and will set a new record high in FY 1993, the seventh record in as many years. Shipments reached \$1.2 billion in August, up 13 percent over the same month last year. Sales were up across the board for all product groups. Increases of 30 to 40 percent were recorded for fresh vegetables, snack foods, prepared/preserved red meats and eggs. The other product groups which achieve double-digit increases were poultry meats, fresh fruit, wine and beer, nursery products

and pet foods. Stronger performance in August brought consumer food exports to \$13.4 billion for the first 11 months of FY 1993, or eight percent higher than the same period last year.

In August, total U.S. agricultural exports were up to 6 of the top ten U.S. agricultural markets compared with the same month last year. Sales were up to Japan, Canada, Egypt, the Philippines, Hong Kong and Taiwan. However, sharp sales declines to the former Soviet Union (down \$110 million) and the EC (down \$48 million) swamped these export gains. Sales also declined to Mexico and South Korea.

August U.S. agricultural imports were unchanged from last year at \$1.8 billion. Higher beef imports were offset primarily by lower shipments of tropical oils. The U.S. agricultural trade surplus for fiscal 1993 now totals \$16.7 billion, roughly unchanged from the same 11-month period last year.

### Inside This Issue...

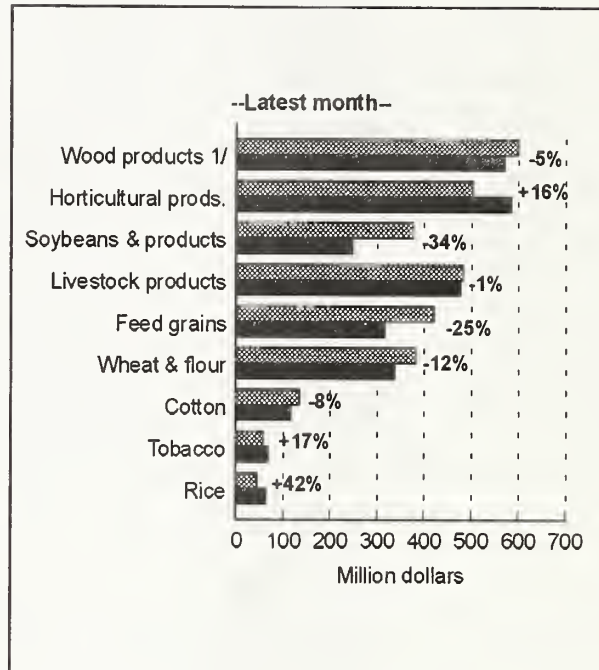
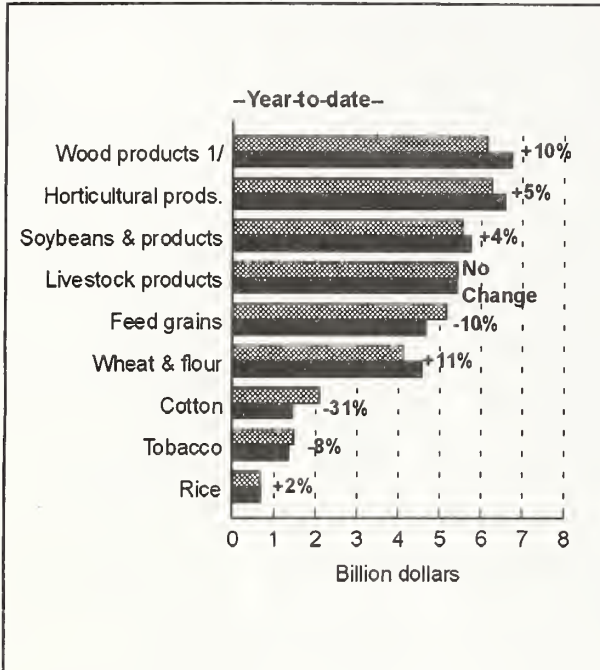
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# U.S. Agricultural Export Summaries

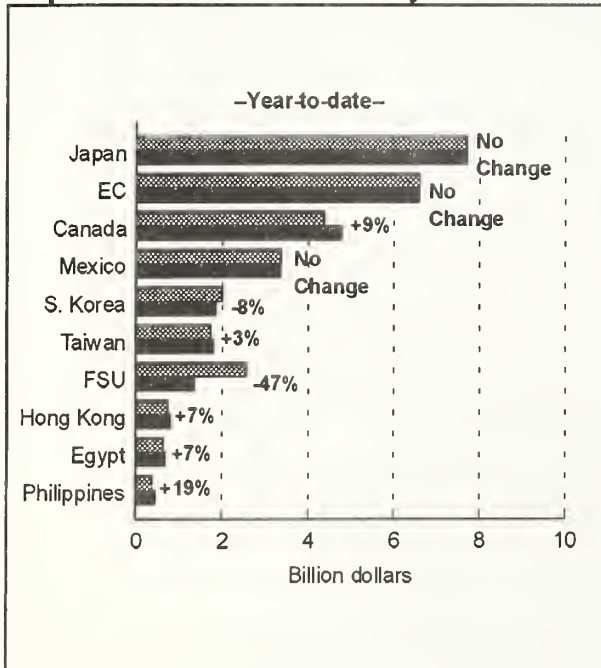
## October-August and Latest Month Comparisons

■ FY '92 ■ FY '93

### Product Summary



### Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.  
1/ Not included in agricultural totals.



# Consumer Food Highlights

*August exports of consumer foods were \$1.2 billion. During the first eight months of 1993, U.S. consumer food exports reached \$9.5 billion, seven percent above the same period last year. Sharply higher shipments of snack foods, poultry meat and fresh vegetables accounted for most of the increase. However, gains to date have been broadly based, with ten product categories running more than five percent ahead of last year's record levels and poised to set new record highs in 1993.*

In August, exports of *chilled/frozen red meats* were \$252 million. This brings year-to-date sales to \$2 billion, virtually unchanged from the same period last year. Although exports for retail cuts of boneless beef and pork were up \$120 million, these gains were offset by a downturn in carcass sales and shipments of other chilled and frozen beef and pork products. Horse meat was off \$22 million, primarily on lower sales to France.

*Fresh fruit* shipments totaled \$143 million in August. At \$1.1 billion, year-to-date exports are running four percent behind last year's level, due mainly to lower exports of apples and grapefruit. The world apple glut has dampened the value of U.S. apple exports by \$23 million so far this year, and similarly low prices for U.S. grapefruit has reduced sales of that crop by \$15 million. On the bright side, exports of avocados, sweet cherries and oranges are up more than \$5 million apiece.

August's exports of *processed fruits and vegetables* totaled \$148 million. This raises year-to-date sales to \$1 billion, up five percent over the first eight months of 1992. Most of the growth was driven by exports of processed vegetables, which make up 62 percent of the total and are running eight percent ahead of 1992 levels. The largest advances to date are for canned sweet corn (up \$13 million), frozen french fries (up \$12 million), and vegetable food preparations (up \$10 million).

*Snack food* exports continued their double-digit growth, rising to \$86.5 million in August. Shipments so far this year have risen to \$610 million, or 22 percent ahead of last year. Rising incomes, greater demand for convenience in our major markets and lower tariffs worldwide have pushed U.S. snack food exports to new annual records every year for the past decade. This trend is expected to continue. In terms of growth, the top product was chocolate-based snacks, which rose 28 percent to \$175 million. Both biscuits/breads and potato chips jumped \$23 million to reach \$173 and \$80 million, respectively. Popcorn and corn chip exports also grew significantly, with the EC being the largest market.

In August, *fruit and vegetable juice* exports reached \$41 million. At \$330 million, year-to-date sales remain virtually unchanged from last year. Sales of orange juice concentrate, the largest export item, remained roughly equal to last year's value, as higher sales volume was offset by lower export prices. At \$126 million, the growth of non-citrus juice exports earlier this year has slowed so that sales are now slightly down from 1992's eight-month mark. Frozen apple juice concentrate was the notable bright spot, moving ahead of last year's sales by \$12 million to reach \$21 million.

*Pet food* exports jumped to \$38.4 million in August. With year-to-date sales at \$309 million, pet food shipments continue at a record pace, running 24 percent ahead of last year's total. Retail dog and cat food, which is the major component of this product

group, was \$33 million above last year's level at \$193 million. Expanding pet food sales continues a trend of the last several years, and is widespread in nearly all regional markets, especially the highest income countries.

*Nursery product and cut flower* shipments totaled \$14 million in August. This brings year-to-date exports to \$151 million, up 7 percent from the same period last year. If present trends continue, U.S. exports will reach a new record in 1993, exceeding the previous record set in 1991. This product group is dominated by nursery products, which includes bulbs, live plants and cut foliage, as cut flowers account for only 18 percent of the total. Fresh cut foliage and branches, which provide the setting for ornamental bouquets, are the largest nursery items exported. They also showed the most dramatic increase among the nursery products, rising more than \$12 million from last year's level to reach \$47 million.

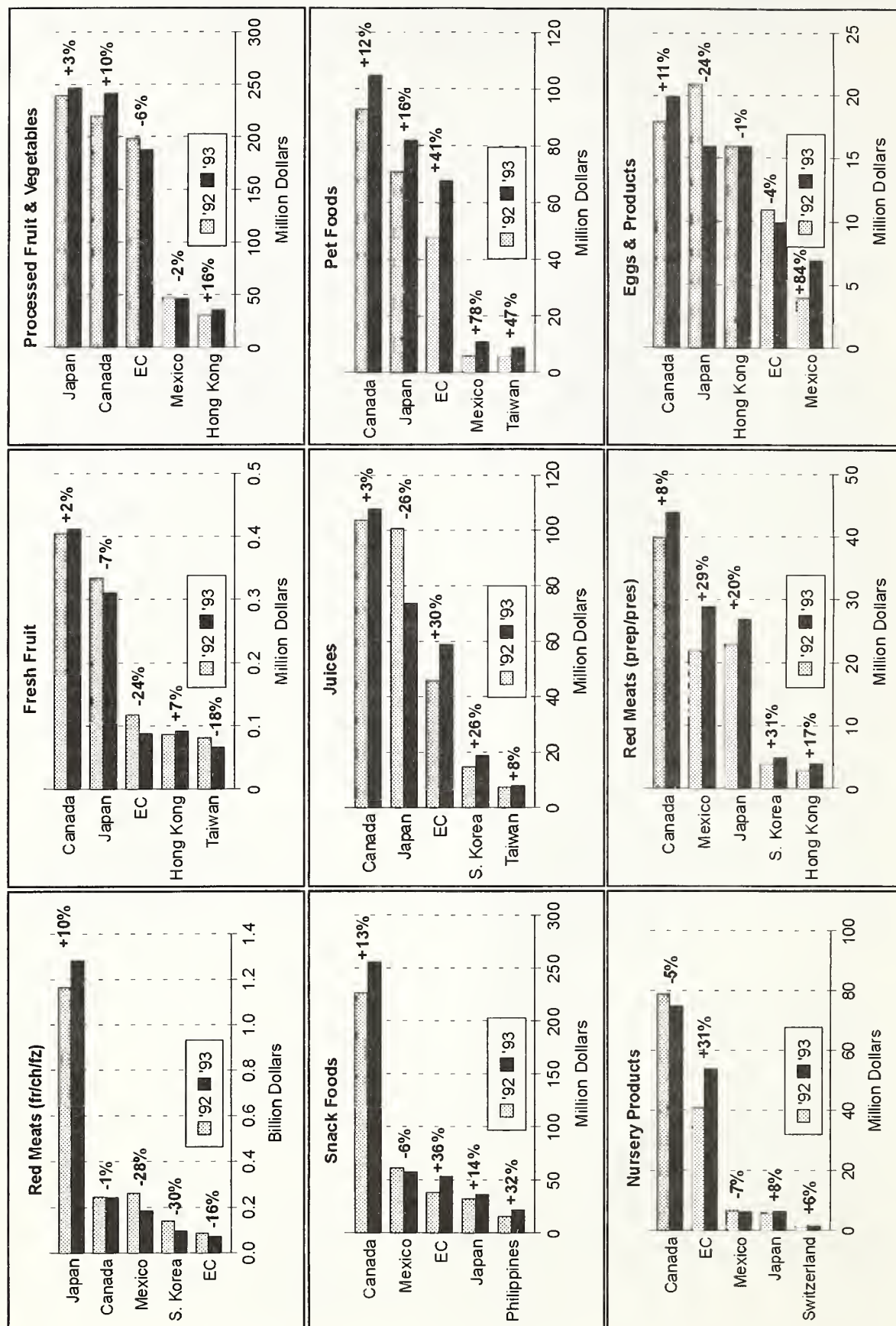
Exports of *prepared and preserved red meats* totaled \$18 million in August. At \$128 million, year-to-date sales are up 15 percent from last year, and should set a new record in 1993. Export growth was led by sausages and highly-processed beef. Sausages gained 30 percent over last year's level to reach \$60 million, while salted and dried beef jerky and other beef preparations increased 26 percent to reach \$35 million. Although canned pork shipments were up slightly in 1993 from last year, sales of other cured and preserved pork products total only \$23 million, down 28 percent from last year's level.

In August, exports of *eggs and products* reached \$11 million. This raises year-to-date sales to \$88 million, which is unchanged from last year's level. Exports of eggs in the shell, both hatching and table eggs, were up 12 percent to \$57 million due to improved sales to Canada and Mexico.

*For more information, contact Diane Dolinsky at (202) 720-6821*

# Top Five Markets for Selected U.S. Consumer Foods

## January through August Comparisons



Note Percentages are computed as the change from 1992 to 1993.



# Country Spotlight: Russian Federation

U.S. agricultural exports to the Russian Federation are expected to approach \$1 billion this year, declining slightly from 1992. While most of these are U.S. government-assisted shipments of wheat, corn, soybean meal, and butter, U.S. exporters are becoming increasingly successful in the small but growing Russian consumer foods market. This year, U.S. consumer food shipments to Russia are expected to total well more than \$100 million, which will place the former Soviet republic among the top ten markets for U.S. consumer food exports.

While several recent studies suggest bulk commodity shipments to Russia may decline as the Russian farm sector strengthens through the mid-1990s, demand for improved and more diverse consumer-ready food imports should continue rising. These foods are currently unaffordable for a great majority of the population; however, the number of consumers that can regularly afford imported foods is growing and is now estimated at 1 million.

Excluding government-assisted credit and donation sales, the fastest rising U.S. consumer food exports to Russia are non-perishable products, led by chocolate candy (with sales of \$25 million expected in 1993, up from \$3

million last year), beer (\$15 million, up from \$4 million), vodka (\$9 million, up from \$5 million), instant coffee (\$7 million, up from less than \$1 million), and soft drinks (\$5 million, up from less than \$1 million). These imports are viewed by many Russian consumers as high-quality luxury products. They are sold mainly through kiosks, western hotel chains, and the growing number of modern corner grocers (in Moscow there are now 20 3,000+ square ft. western-style grocery stores, up from 4 last year).

## EC builds strong position in Russia

The European Community is firmly established as the top supplier of consumer foods to Russia, with sales last year reaching \$650 million. Top products include beef (\$274 million), chocolate candy (\$75 million), beer (\$29 million), wine (\$19 million), coffee products (\$8 million), and cookies (\$6 million). While currently much smaller, other EC exports to Russia with good potential for future growth include navel oranges (\$2 million), ham (\$1.3 million), and fresh lemons (\$1 million).

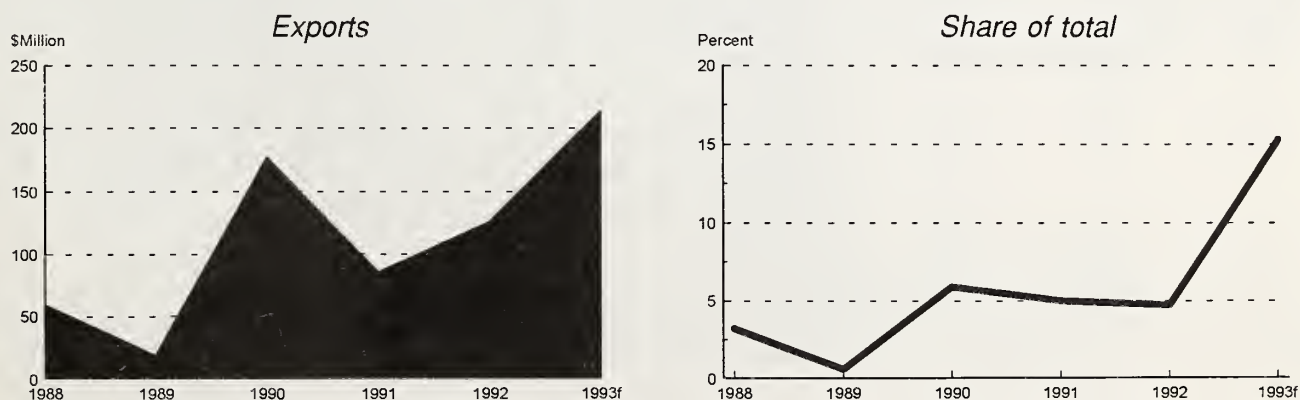
Through the mid-1990s, EC products are expected to account for the majority

of consumer food sales growth in Russia, due to the EC's proximity to major Russian cities and to strong trade relationships between EC shippers and Russian retail outlets and food distributors. Most of the new grocery stores are joint ventures with EC retailers and investors who prefer importing EC products. Major EC food companies have been negotiating for several years with important Russian food distributors. Nestle, a Swiss firm with extensive production in the EC, recently reached an agreement with Megastok, a major Russian food distributor, to ship coffee products, candy, baby food, and a variety of canned consumer foods. Megastok is the primary supplier to 270 stores throughout Russia.

Despite these advantages for EC firms, opportunities for increased sales from the U.S. are expected to continue growing. U.S. exporters have discovered that U.S. products carry a high-quality image in Russia and are often priced competitively against other imports. (See inset next page for a directory of Moscow area stores most interested in U.S. products).

Many U.S. exporters shipping to Russia indicate they only consider the market as a long-run opportunity, but that

## Consumer Foods Account for Growing Share of Total U.S. Agricultural Exports to the Former Soviet Union<sup>1</sup>



<sup>1</sup>Note: Export data to the Russian Federation prior to 1992 are unavailable. In 1993, exports to the Russian Federation are expected to account for more than 90 percent of shipments to the former Soviet Union.

## ...Russian Federation

building brand loyalty among Russian consumers now is important. Some U.S. brands that are already popular in Russia include Snickers, Miller and Budweiser beer, Baskin-Robbins and Ben & Jerry's ice cream, and Keebler Elfkin cookies. In the modern western groceries there are now more than 3,000 imported brands offered, up substantially from a year ago.

### Opportunities in Far East Russia

While the majority of Russia's consumer food imports are retailed in Moscow and St. Petersburg, other opportunities in Russia include the Far East, where exporters are discovering pent-up demand for high-quality foods and a growing ability to pay for them, boosted by rising returns from the Far East Russian fishing industry. Currently, most sales to Far East Russia are dry foodstuffs, canned fruits, meats, and beans, and beverages. Imported U.S. products are typically priced lower than EC products, due partially to the extended transit from the EC and a comparatively short transit time from the U.S. (many carriers offer 2 week service to Vladivostok from Seattle). Competition for shelf space is also provided by food products from nearby South Korea and Hong Kong.

Forseeing a growing demand for perishables, JAS Ocean Service, a Seattle-based shipper, is setting up cold storage facilities in Vladivostok. In the short-run, the firm anticipates growing sales of meat, led by chicken and sausage. Other perishables currently shipped include limited amounts of fresh fruit, such as Washington apples.

*For more information, contact  
Mike Woolsey at (202) 690-0553*

### Directory of Moscow Consumer Food Importers

Arbat Irish House  
Purchasing Department  
Ul. Novy Arbat, 21  
Moscow, Russian Federation  
Tel. (7095) 291-2945  
Fax: (7095) 291-2997

Sadko Arcade Foodland  
Purchasing Department  
Krasnopresnenskaya Nab, 12  
Moscow, Russian Federation  
Tel. (7095) 253-9593  
Fax: (7095) 973-2185

Stockmann's  
4/8 Zatspeyskiy Val.  
Moscow, Russian Federation  
Tel. (7095) 233-2602

Lux  
Purchasing Department  
Olympic Village  
Moscow, Russian Federation  
Tel. (7095) 437-  
5449/6438/6641  
Fax: (7095) 938-2164

Virginia-American Food Store  
27/4 Malaya Bronnaya  
Moscow, Russian Federation  
Tel. (7095) 290-3531  
Fax: (7095) 924-8339

Garden Ring Supermarket  
Ul. Bolshaya Sadovaya 1  
Moscow, Russian Federation  
Tel. (7095) 209-1572  
Fax (7095) 250-8907

### Trade Mission to Russia Slated for 1994

FAS is hosting a sales mission to Moscow and St. Petersburg in October next year. The mission, which will be held immediately after the SIAL '94 expo in Paris, is committed to setting up four meetings with buyers for each participant in each city. The meetings will be arranged by FAS/Moscow ensuring that only buyers willing and capable of purchasing U.S. products will be contacted. For further information, contact Richard Blabey at the FAS Trade Show office, (202)-720-9423.



# U.S. Agricultural Exports by Commodity Type to the Russian Federation

Calendar Year 1992 and Year-to-Date Comparison  
(thousands of dollars)

Product	1992	January–August		% Chg
		1992	1993	
<b>BULK COMMODITY TOTAL</b>	739,434	572,685	370,787	–35.3
Wheat	447,492	406,097	182,298	–55.1
Coarse Grains	269,832	146,646	167,247	14.0
Rice	16,136	15,533	16,798	8.1
Soybeans	0	0	0	
Cotton	0	0	0	
Tobacco	5	5	0	
Pulses	4,566	4,254	145	–96.6
Peanuts	912	150	3,323	2115.3
Other Bulk Commodities	491	0	977	
<b>INTERMEDIATE TOTAL</b>	245,113	177,035	59,486	–66.4
Wheat Flour	6,403	6,078	5,756	–5.3
Soybean Meal	163,592	123,024	49,379	–59.9
Soybean Oil	30,857	16,999	150	–99.1
Other Vegetable Oils	14,571	14,514	244	–98.3
Feeds & Fodders (Excl. Pet Foods)	76	76	0	
Live Animals	173	170	23	–86.5
Hides & Skins	463	252	402	59.5
Animal Fats	20,681	8,428	261	–96.9
Planting Seeds	50	30	296	886.7
Sugars, Sweeteners & Bever. Bases	3,921	3,921	126	–96.8
Other Intermediate Products	4,327	3,544	2,847	–19.7
<b>CONSUMER–ORIENTED TOTAL</b>	132,180	51,312	97,279	89.6
Snack Foods (Excl. Nuts)	3,104	332	24,782	7364.5
Breakfast Cereals & Pancake Mix	12	0	1,902	
Red Meats, Fresh/Chilled/Frozen	572	293	1,423	385.7
Red Meats, Prepared/Preserved	216	48	926	1829.2
Poultry Meat	10,866	6,648	15,099	127.1
Dairy Products	100,543	38,163	24,253	–36.4
Eggs & Products	0	0	0	
Fresh Fruit	225	46	222	382.6
Fresh Vegetables	42	20	660	3200.0
Processed Fruit & Vegetables	4,921	2,375	4,173	75.7
Fruit & Vegetable Juices	869	457	2,039	346.2
Tree Nuts	34	0	908	
Wine and Beer	4,146	1,923	9,916	415.7
Nursery Products & Cut Flowers	20	20	50	150.0
Pet Foods	0	0	3	
Other Consumer–Oriented Products	6,608	986	10,921	1007.6
<b>AGRICULTURAL TOTAL</b>	1,116,727	801,032	527,552	–34.1

Note: Exports to the Russian Federation prior to 1993 may be under–reported due to data collection error by the Commerce Department.

# Product Spotlight: Fresh Sweet Cherries

*The United States is the dominant world supplier of fresh sweet cherries. This year, U.S. cherry exports reached 25,200 tons worth a record \$112 million. With limited competition from other northern hemisphere suppliers in the major markets outside the EC, the removal of Japan's seasonal restriction on imports and continued U.S. promotion efforts, the future growth in foreign demand for U.S. cherries looks bright. The major limitation to increased foreign sales is the size of the domestic crop. Given the expected growth rate of the U.S. cherry acreage, in a good crop year U.S. cherry exports could reach 70,000 tons by the end of this decade.*

U.S. exports of fresh sweet cherries rose from roughly 11,000 to 25,000 tons during the past ten years. In 1992, after a near record harvest of 86,600 tons sold as fresh fruit, U.S. cherry exports jumped to a record 30,600 tons valued at \$104 million. The major varieties exported are Bing and Lambert. Washington, Oregon and California account for over 80 percent of the U.S. fresh sweet cherry crop. In terms of value, cherries are now one of the major U.S. fresh fruits exported. Last year, cherry sales were exceeded only by the sales figures for apples and grapes. Individual sales figures for all types of berries, other deciduous fruits and tropical non-citrus fruits were well below \$100 million. This year, U.S. cherry exports fell to 25,200 tons due to poorer growing conditions in California

and late-season rains in the Northwest, but higher prices pushed export earnings to \$112 million.

The importance of export markets to U.S. producers continues to grow. Today, one-third of U.S. sweet cherry production sold as fresh fruit is exported, up from 13 to 17 percent during the late-1970s to mid-1980s. During the past ten years, the expansion in exports has further strengthened the U.S. position as the dominant world supplier. According to FAO data, the U.S. market share of global cherry exports (excluding intra-EC trade) jumped from 50 to 70 percent between 1986 and 1988. As global trade grew from \$80 million to \$145 million from 1988 to 1992, the U.S. share initially declined to 60 percent as exports from

Turkey and Chile rose then returned to 70 percent with record U.S. exports in 1992.

## A changing export profile

The two most important recent events were: (1) Japan replaced Canada as the top U.S. export market and (2) the development of the Taiwan market. Canada, Japan, the EC and Hong Kong accounted for over 90 percent of U.S. cherry exports during the past 15 years. During the late-1970s and early-1980s, typically three-fourths of U.S. exports were shipped to Canada. In 1987, Japan moved into first place as its share of U.S. exports rose from 30 percent (3,318 tons) to 46 percent (11,157 tons). During the same year, Canada's share fell to 32 percent (7,588 tons) due to higher shipments to Japan coupled with growing sales to the EC and Hong Kong.

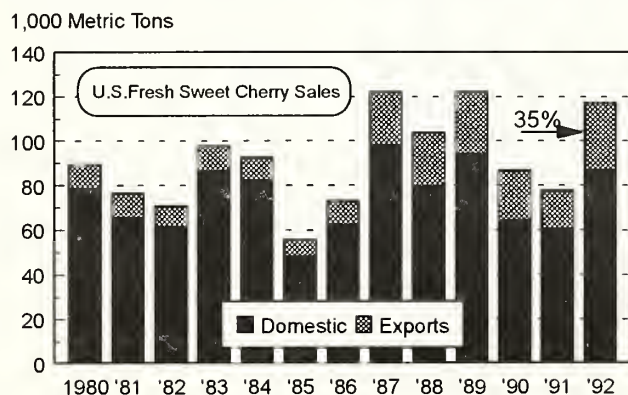
U.S. shipments to Taiwan accounted for one percent or less of U.S. sales prior to the mid-1980s. Since then, however, this market grew rapidly reaching seven percent of U.S. shipments last year. In 1993, with lower supplies and higher prices for U.S. cherries compared to last year, Japan's share of U.S. exports rose from 40 to 49 percent while the figures for Canada and the EC dropped from 31 to 24 percent and 11 to 9 percent, respectively. The figures for Hong Kong and Taiwan held steady at seven to eight percent each.

U.S. suppliers expect to expand sales in these markets by placing continued emphasis on product quality and funding campaigns to increase both consumer and trade awareness of U.S. cherries. In 1993, U.S. industry received \$886,000 in MPP funds.

## Perception of quality is king in Japan

U.S. cherries must compete on the basis of quality with domestic cherries in the Japanese market. U.S. suppliers handle virtually the entire Japanese market for imported cherries, and given the recent surge in U.S. shipments, half of the fresh product on the local market came

**The Growing Importance of Export Markets**





## ...Fresh Sweet Cherries

from the United States in 1992. Almost all U.S. cherries are sold through retail outlets. When Japanese buy cherries they first look for the highest quality in terms of appearance, texture and flavor. Rainier cherries, a new variety, was first introduced in limited quantities last year. Characterized by a higher sugar content and a golden color with a pink blush, it was popular because it is closer in taste to local varieties. Shippers are now working to reduce blemish and freshness problems to improve its marketability.

In the past, U.S. product quality was sometimes compromised due to Japan's import restrictions. Beginning in 1992, Japan lifted its restriction on entry dates and U.S. cherries are now permitted throughout the U.S. marketing season from mid-May through July. In prior years, only a narrow window of entry was permitted forcing the trade to handle large quantities over a short time period. The movement of product to stores was spread out to accommodate retail sale requirements which adversely affected the quality of this highly perishable fruit. By removing this restriction, U.S. cherries can now be moved according to the needs of the market which will help improve overall U.S. cherry quality and expand exports.

### Increased awareness is key in Hong Kong and Taiwan

With rapidly growing purchasing power, no domestic production, little

competition from other northern hemisphere producers and growing consumer awareness about the health benefits from eating more fruit, the future for U.S. sales looks bright in Hong Kong and Taiwan. Although Taiwan's population is nearly four times larger than Hong Kong's, the willingness of Hong Kong buyers to pay more for cherries means that they will likely bid product away from the market in Taiwan when the U.S. crop size is smaller. In both markets, virtually all imports come from the United States.

Changes in the food retailing systems of both countries, where most fruit sales are traditionally handled by street vendors, will ultimately boost cherry sales. The number of supermarkets, convenience stores and food service chains is rising rapidly. This trend will help boost cherry sales, because modern outlets offer refrigerated display cases which can maintain this highly perishable fruit at its ideal storage range of 32-35 degrees F and 90-95 percent humidity.

The major marketing constraint in Hong Kong comes from competition with lychees and loongan, two very popular Chinese seasonal fruits sold in July and August. Since market promotions are key in addressing this problem, U.S. industry funds television ads, point-of-sale materials and in-store taste demonstrations to encourage more purchases. In Taiwan, while the major

constraint is also lack of awareness the situation is different. Since fresh cherries have only been available in limited quantities, the thrust of U.S.-funded promotions is to advertise availability and encourage initial purchase.

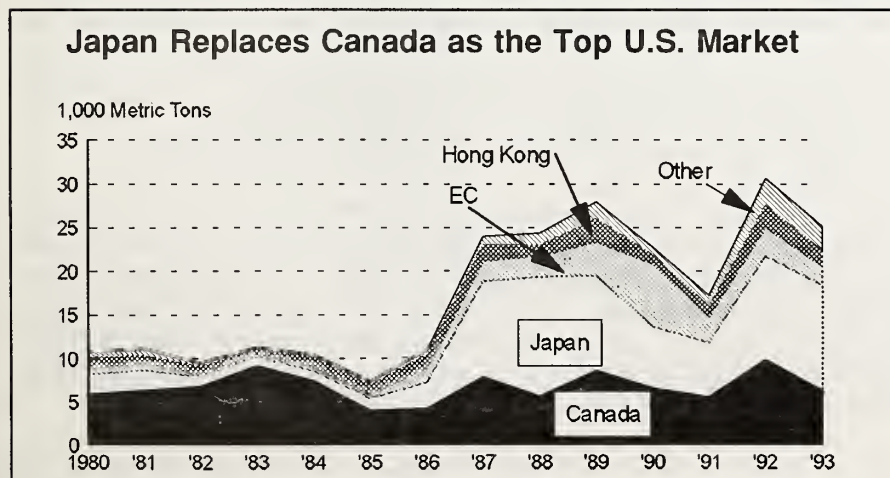
### Product differentiation is essential in the U.K.

A good crop year in Europe can translate to 60,000 tons of fresh cherries traded within the EC where local cherries are relatively less expensive. Under these circumstances, U.S. suppliers must rely on superior quality and aggressive promotion campaigns to move product. Sixty to 80 percent of U.S. exports to the EC are sold to British shoppers, because the majority of U.S. marketing efforts have focused on the U.K. market. U.S. promotions focus on increasing consumer awareness of U.S. product and alerting the trade on the timing and quality of the current U.S. fruit crop. Most of the competition comes from U.K. and French cherries, but Italian, Spanish and Turkish cherries are also present when U.S. product arrives.

### Final comments

Fresh cherries are highly perishable and must be properly handled and air-freighted to ensure overseas customers receive superior quality. The U.S. industry's continued focus on care and handling of fruit and increased promotional activities in major overseas markets will ensure the United States' position as the world's dominant supplier. During the rest of this decade, Japan is expected to increase its share of total U.S. exports due to its enormous buying power and large appetite for fresh cherries. Canada, Hong Kong and Taiwan are also likely to remain important markets. As the size of the U.S. crop grows, Mexico and the Gulf States will likely offer the next best sales opportunities.

[For more information, contact Ernest Carter at (202) 720-2922 or Jean Harman at (202) 720-0897.]





# Trade Policy Updates

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## **Israel Prohibits Imports Of EC French Fries**

The Government of Israel has prohibited imports of frozen french fries from the EC. The agricultural specialist in Tel Aviv confirmed with the Ministry of Industry and Trade (MOIT) that import licenses would be issued for U.S.-origin french fries only. The decision was based on the fact that EC-Israeli FTA specifically excludes agriculture, whereas the U.S.-Israeli FTA covers all goods, including agricultural products. According to an Israeli agricultural attache in the EC, commercial firms have complained about Israeli's apparent discrimination, and have threatened to complain formally in the GATT. McDonald's reports that it has had one container of U.S. frozen french fries released, and that two more remain in Israeli ports -- its first Middle Eastern franchise is scheduled to open (in Tel Aviv) on October 13, 1993.

## **CIS Set To Form A Common Market, Minus Ukraine And Turkmenistan**

During a recent Moscow summit, leaders of Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan signed a treaty on forming an economic union, which could some day become one of the world's biggest integrated blocks. Ukraine and Turkmenistan deferred full membership because of fears they have over sovereignty. It is envisioned that the members will gradually move toward free trade, a single customs policy, a common currency and a common market for goods and services. Countries who now use the Russian ruble as exchange will delegate the Central Bank of Russia powers to issue cash and checks. Many in the CIS believe that the first steps toward economic integration have been taken, and that many national economies can be pulled out of crisis.

## **The EC Proposes 50,000-Ton Sale of Intervention Butter To The Former Soviet Union**

On Sept. 30, the EC Management Committee for Milk and Dairy Products reviewed the proposal which would establish a permanent bid procedure for butter sales to the former Soviet Union. As currently written, export subsidies will not be given for these butter exports.

## **U.S. and EC Hold Technical Talks On Third Country Directive (TCD)**

On Oct. 5-7, U.S.-EC bilateral technical meetings were held in Brussels to assess progress on the implementation of the TCD agreement signed in November 1992. In general, both sides were pleased with the progress that had been made in the last year. However, it was agreed that more work is required to fully implement the agreement by the end of the year. Policy level meetings are expected to be scheduled for the second half of November, probably Brussels.

## **More Evidence Against EC Banana Regime**

Germany provided evidence to the European Court of Justice of a thirty-five percent increase in wholesale and retail prices for bananas as the direct effect of the new EC banana regime. Two French importers, according to German data, received the lion's share of increased profits from the regime, while ACP producers realized little gain. Germany is working closely with the Latins on their GATT appeal and is hoping for a clear statement of GATT incompatibility from the GATT panel. The panel, which plans to complete its work on an expedited basis, is scheduled to issue a final report by mid-December.

## **Corn Gluten Feed**

AgOffice USEC reports the EC Commission has adopted the legal text necessary to again extend the "ceasefire" on corn gluten feed imports through June 1994. The most recent extension of the ceasefire, which prevents microscopic testing of U.S. corn gluten feed by EC member state Customs authorities, expired Sept. 30, 1993. Prior to EC Council adoption, the text must be reviewed by the EC 113 Trade Committee and by COREPER (General Affairs Working Group Committee). EC Commission Customs officials (DG XXI) have told USEC that the extension will be retroactive to 10/1/94.

## **...Trade Policy Updates**

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### **EC Proposes For The Blair House Oilseeds Agreement Implementing Legislation**

On Oct. 1, the EC published a Commission proposal for legislation to implement the Oilseeds agreement. The legislation would not become effective until adopted by the EC Council. The European Parliament must comment on the proposal before the Council may act. The legislation would establish a Separate Base Area (SBA) for oilseed production, including payment reductions, regionalized, if area exceeds the SBA. The proposal also would exclude producers of confectionery sunflowerseeds from receiving benefits.

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### **Japanese Growers Pledge To Oppose Apple Imports**

The American Consulate in Sapporo reports that the local apple growers association in Aomori prefecture has announced plans for a nationwide drive to prevent the opening of the apple market to imports from the United States. The drive would culminate with protests at the Diet public hearings on the issue which are scheduled for July 1994 when all technical survey results are in. Industry leaders are split on whether to work for a continuation of the complete ban or for temporary import limits to give growers time to switch to alternative crops.

# Market Updates

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## **Latin American Countries Meet to Discuss U.S. Poultry Ban**

The Latin American Association of Poultry Producers (ALA) are currently meeting in Santo Domingo, Dominican Republic, to present a "United Front" of Latin America countries prohibiting U.S. poultry imports. According to the ALA president, over 22 Latin American countries are expected to be represented at the ALA conference. The ALA meet annually to present technical and health lectures concerning the Latin American poultry trade. ALA members are expected to set a "precedent" for import restrictions against low priced U.S. chicken leg quarters. Several ALA members are proposing to the membership that Avian Influenza import restrictions, import tariffs, and/or price bans be placed on U.S. chicken imports. Moderate members of the ALA have taken the position on free trade and will meet with FAS officials in Santo Domingo to discuss this issue.

## **Guatemala Latest Latin American Country To Block U.S. Apples**

On Oct. 7, the Guatemalan Congress passed a bill that would prohibit the import and sale of apples, which are predominantly sourced from the United States. The Congress cited sufficient domestic production and a national emergency to protect local producers as the main reasons for the legislation. The legislation still requires the President's signature and would not become law until published in the official diary of Guatemala, about 10 days later. The Ministry of Foreign Trade reportedly opposes the legislation. In addition to blocking new imports, sources report approximately \$100,000 worth of imported apples currently in cold storage which, under this new legislation, would not be allowed to be sold. Guatemala is a small, but promising market for U.S. apples, with shipments valued at \$380,000 in marketing year 1992/93. Perhaps more significant, Guatemala becomes the third Latin American country to take action in recent months against apple imports. Venezuela announced last summer that it had ceased issuing required permits for a range of imported agricultural commodities, including apples. Following a demarche by the United States, this matter appears to have been resolved. Finally, Colombia recently banned imports of apples from the United States due to the reported detection of codling moth larva. This matter is currently under review by APHIS.

## **Growth In Thailand's Broiler Sector Shows Signs Of Slowing**

Due to over-production, rising input costs, depressed exports, and declining prices, Thailand's once dynamic broiler industry is suffering a period of financial stress. In the first half of 1993, Thailand's export-dependent broiler industry experienced a 14-percent decline in exports, which led to lower domestic prices. In an effort to stabilize falling grower chick and broiler meat prices, a majority of Thailand's integrated processors recently agreed to curtail production by 10 percent. As a result, broiler production is forecast to remain flat in 1993, while exports are expected to fall about 8 percent, marking the first time in over a decade that Thailand will undergo a year-to-year decline in broiler exports. Currently, Thailand is Asia's dominant broiler exporter and the principal U.S. competitor in Japan's lucrative broiler meat market. Following a decade of double-digit growth in its broiler industry, in the late 1980's Thailand overtook the United States to become the top broiler exporter to Japan.

## **U.S. Consumer Foods to Set Another Export Record**

Consumer-oriented products continue to drive U.S. agricultural exports. The release of August trade numbers reveals that with 11 of 12 months of fiscal year 1993 reported, consumer-oriented products are 8 percent ahead of the same period last year, reaching \$13.4 billion. By contrast, bulk and intermediate products are down 3 percent at \$17.7 billion and \$8.2 billion, respectively. Nine consumer food categories have already set all-time fiscal year records for export value. These are: poultry meat (\$937 million), fresh vegetables (\$942 million), dairy products (\$788 million), snack foods (\$862 million), breakfast foods (\$233 million), pet foods (\$426 million), and wine and beer (\$353 million).



## ...Market Updates

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### **Japan Announces Emergency Rice Imports**

Eiji Hata, Japan's Minister of Agriculture, Forestry, and Fisheries (MAFF) announced today that emergency rice imports would begin immediately, and that 200,000 tons of rice, mostly long grain rice for processing, would be imported this calendar year. Japan has already ordered over 600,000 tons of rice; rumors indicate that much of this is Thai rice. Hata indicated that some imports of table rice, which the United States and Australia have the largest supplies of, would be necessary. Hata also indicated that MAFF was considering reducing the area in the riceland diversion program, thus raising rice acreage to prevent imports in the future.

### **Spain to Initiate U.S. Cattle Imports**

Spain established new health requirements that will permit imports of breeding cattle from the United States. This change results from the European Community's (EC) acceptance of regionalization of animal health standards. Imports of live cattle from the United States were banned in 1986, when Spain joined the EC, due to the EC regulations that prohibited all breeding cattle imports from countries with a known incidence of blue tongue disease. The acceptance of the regionalization approach to animal health will allow imports from areas within the United States which are free of blue tongue. According to trade sources, Spain will begin importing breeding cattle immediately, purchasing 20 dairy bulls and some heifers during the next few months. Assuming additional health requirements do not present major additional difficulties for U.S. exporters, FAS/Madrid estimates a market potential of about 5,000 head annually.

### **U.S. Cotton Exports To Italy Continue To Decline**

Since marketing year 1991, U.S. cotton has remained the second choice of Italian importers. In marketing year 1992/93, Italy imported 143,000 bales of cotton from the United States, down 40 percent from the previous marketing year. Italian import data for August-December 1992 shows cotton imports from the former Soviet Union (FSU) at 222,126 bales versus 43,307 bales of U.S. origin cotton. Italian trade in former Soviet Union cotton has increased due to better links with exporters, favorable pricing and excellent cotton quality. According to Italian merchants, Uzbeki cotton--extra long staple (ELS)--is priced 30 percent lower than U.S. ELS. Texas Pima currently sells for \$0.99/lb. versus \$0.68-\$0.70/lb. for the same type of cotton offered by Russian brokers. Some merchants are reportedly waiting for Turkish and Greek cotton to enter the market as new crop prices for these styles have been quoted at levels competitive with Central Asian cotton and below U.S. cotton prices.

### **U.S. Pork Exporters Unite to Promote Trade**

Seven major U.S. pork packers and processors agreed to form a network that will work together to enhance the competitive position of the U.S. pork industry and increase U.S. pork exports under the auspices of the National Pork Producers Council (NPPC). The coalition will be called the American Pork Export Trading Company (APEX). The goal is to permit NPPC and the companies to expand foreign trade by sharing the costs of foreign market research, engaging in joint promotional activities, and conducting joint overseas bidding and/or selling arrangements. APEX will also allow the companies to develop cost-sharing agreements to overcome non-tariff trade barriers, such as labeling and packaging requirements.

The Departments of Commerce and Justice have granted antitrust protection to APEX members. Seven companies are members of APEX and three more have requested membership. The seven members are: Hormel International; IBP, Inc.; FDL; Farmland Foods; Dorskocil/Wilson Foods; Seaboard Farms; and W&F Marketing.

## ...Market Updates

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### **Russia Bans Imports of British Beef**

The Russian Federation banned imports of beef from the United Kingdom (UK) effective September 15. The Russians cited concerns about an outbreak of Bovine Spongiform Encephalopathy (BSE) in the British cattle herd to justify their action. New cases of confirmed BSE in Britain rose by nearly one-third in 1992 to over 36,000, although it appears health officials are making significant progress in curbing the outbreak in 1993. Russia's move against Britain indicates its increased willingness to strictly enforce health standards on meat imports. Last spring and early this summer the United States and Russia went through extensive negotiations to avoid veterinary restrictions on imports of U.S. red meats and poultry. Although the UK ships only minor amounts of beef to Russia, only a little over 2,000 tons in 1992, Russia's new vigilance on sanitary concerns doubtlessly worries other EC countries. As a group, the EC last year exported a record 363,000 tons of beef to the republics of the former Soviet Union, mostly from intervention stocks in Germany, France, and Ireland. The UK Minister of Agriculture, Fisheries, and Food is attempting to persuade the Russian authorities that the British beef is safe.

### **Chilean Fruit Importers Express Strong Interest In Importing U.S. Fruit**

The Agricultural Attache in Chile was recently contacted by Chilean importers who expressed strong interest in the progress of U.S. efforts to remove the Chilean ban on U.S. lemons, as well as other U.S. fruits. Chile currently bans all U.S. fruit for phytosanitary reasons. APHIS held bilateral meetings with Chile in June, where Chile requested research data on treatments and pest risks for fruits which the United States would like to export. APHIS is currently gathering this information for a number of fruits, including apples, pears, peaches, nectarines, citrus, raspberries, strawberries, and avocados.

### **Taiwan Tightens Import Regulations On Poultry Meat**

On Sept. 1, 1993, Taiwan's imports of processed turkey meat became subject to "mandatory 100 percent" inspection at the port of entry. Prior to the implementation of the mandatory inspection requirement, turkey meat imports required only a USDA/FSIS health certification. The most significant aspect of the new inspection system is the stringent micro-organism tolerance levels applied. One shipment of U.S. turkey breasts have already been rejected as a result of the new standards. The new import inspection system could have important implications following Taiwan's expected GATT accession. Taiwan bans all raw chicken and poultry offal imports and currently imports a relatively insignificant quantity of U.S. poultry meat (344 tons in 1992). However, as Taiwan accedes to the GATT, there is the potential for overall trade liberalization, and Taiwan has promise of becoming an important market for U.S. broiler meat. Taiwan's new zoo-sanitary import regulations, however, may thwart U.S. exporters ability to take advantage of the impending greater market access.

### **U.S. Table Grapes Enter Mexico**

According to trade sources, the first shipments of U.S. table grapes have crossed the border into Mexico under the terms of a recent, bilateral agreement. Despite a series of setbacks and delays in the opening of the market, several importers in Mexico recently obtained the necessary documentation required to import grapes from the United States and the trade has commenced. Additional importers are expected to receive authorization to import in the coming days. With the implementation of NAFTA, this temporary, quota-based system would give way to unrestricted market access to what is viewed as a promising new market for U.S. table grapes.

## ...Market Updates

### U.S. Farm Exports to Central and East Europe Surge in First Eight Months of 1993

In the first eight months of 1993, U.S. agricultural exports to Central and East Europe rose by four fifths -- from \$189 million to \$339 million -- reflecting significant gains in wheat, wheat flour, planting seeds, soybean oil, poultry meat, cotton, pulses, snack foods, and particularly corn. Some offsetting declines occurred in sales of soybeans, soybean meal, tobacco, and dairy products.

Factors supporting U.S. exports were the severe 1992 summer drought in Central and East Europe and large food aid shipments to the region, in particular corn to Poland. U.S. exports to Poland and Romania -- two countries hard hit by the 1992 drought -- showed the largest gains. Smaller gains were registered in U.S. exports to Albania, Bulgaria, the Czech and Slovak Republics, Hungary, and Lithuania.

#### U.S. Agricultural Exports to Central and East Europe January-August, 1992-93

Country	1992	1993	Change
	--- \$million ---		- % -
Albania	7.2	13.2	+83
Bulgaria	1.5	13.0	+773
Czech and Slovak Republics	10.5	12.5	+20
Estonia	24.1	19.4	-20
Hungary	7.4	8.7	+17
Latvia	16.8	6.8	-60
Lithuania	11.4	17.7	+56
Poland	33.2	154.0	+364
Romania	38.9	65.5	+68
Former Yugoslavia	37.6	28.3	-25
<b>TOTAL</b>	<b>188.6</b>	<b>339.0</b>	<b>+80</b>

For more information, contact Abraham Avidor (202) 720-0760



# U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1993 and Year-to-Date Comparisons  
(thousands of dollars)

Product	Calendar Years					January - August		% Chg
	1988	1989	1990	1991	1992	1992	1993	
<b>BULK COMMODITY TOTAL</b>	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	12,764,386	12,141,948	-4.9
Wheat	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	2,860,171	3,135,011	9.6
Coarse Grains	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	3,757,369	3,167,632	-15.7
Rice	803,764	971,123	801,527	753,557	726,072	448,300	497,010	10.9
Soybeans	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	2,583,706	2,900,211	12.3
Cotton	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,549,508	1,081,515	-30.2
Tobacco	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559 *	1,118,746	921,386	-17.6
Pulses	240,667	298,404	353,111	268,414	191,656	112,896	124,252	10.1
Peanuts	155,518	192,670	203,373	180,304	240,308	147,152	129,772	-11.8
Other Bulk Commodities	222,916	214,275	209,199	255,304	301,989	186,539	185,161	-0.7
<b>INTERMEDIATE TOTAL</b>	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134 *	6,012,276	5,780,752	-3.9
Wheat Flour	192,737	257,937	182,956	184,256	184,317	125,520	150,743	20.1
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	851,344	728,768	-14.4
Soybean Oil	476,970	358,723	312,930	222,126	376,202	254,382	212,535	-16.5
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	342,849	342,433	-0.1
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327 *	1,144,868	1,153,547	0.8
Live Animals	606,201	490,501	513,783	686,563 *	607,891	371,430	266,277	-28.3
Hides & Skins	1,826,493 *	1,696,164	1,729,731	1,357,570	1,326,054	909,239	861,015	-5.3
Animal Fats	559,145	510,153	428,729	426,824	515,214	306,423	324,189	5.8
Planting Seeds	423,528	510,214	588,723	671,655	675,011 *	387,181	389,957	0.7
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	371,752	348,375	-6.3
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744 *	947,289	1,002,913	5.9
<b>CONSUMER - ORIENTED TOTAL</b>	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994 *	8,864,678	9,513,414	7.3
Snack Foods (Excl. Nuts)	282,234	364,429	530,125	633,040	829,679 *	501,192	610,490	21.8
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762 *	129,190	161,319	24.9
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361 *	2,029,497	2,031,929	0.1
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562 *	111,377	128,020	14.9
Poultry Meat	458,117	509,426	672,888	817,913	928,464 *	575,051	664,092	15.5
Dairy Products	578,281	430,741	328,053	462,956	793,754 *	475,699	543,185	14.2
Eggs & Products	117,193	90,685	101,979	143,367	139,234	87,202	87,918	0.8
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344 *	1,166,775	1,125,308	-3.6
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624 *	618,993	707,370	14.3
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121 *	997,429	1,047,401	5.0
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017 *	328,993	329,833	0.3
Tree Nuts	751,201	683,332	801,120	867,704	928,531 *	480,746	486,704	1.2
Wine and Beer	151,763	206,095	266,202	315,756	369,181 *	245,770	259,223	5.5
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442 *	201,321	141,678	151,464	6.9
Pet Foods	133,563	175,539	244,038	329,772	399,630 *	249,969	308,948	23.6
Other Consumer - Oriented Products	615,166	622,997	808,706	979,907	1,190,410 *	725,116	870,209	20.0
<b>AGRICULTURAL TOTAL</b>	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	27,641,340	27,436,114	-0.7

Note: (\*) Highest export level since at least 1970.

# U.S. Agricultural Exports by Major Commodity Group

## Monthly and Annual Performance Indicators

Export Values	August			October–August			Fiscal Year		
	1992	1993		FY '92	FY '93		1992	1993(f)	
	–\$Billion–		Change	–\$Billion–		Change	–\$Billion–		Change
Grains and Feeds 1/	1.105	0.980	–11%	12.926	13.175	2%	14.095	14.3	1%
Wheat & Flour	0.384	0.339	–12%	4.130	4.582	11%	4.482	4.8	7%
Rice	0.046	0.065	42%	0.685	0.702	2%	0.758	0.8	6%
Feed Grains 2/	0.422	0.318	–25%	5.186	4.674	–10%	5.659	5.2	–8%
Corn	0.369	0.264	–28%	4.192	3.875	–8%	4.593	4.3	–6%
Feeds & Fodders	0.165	0.159	–4%	1.901	2.013	6%	2.077	2.2	6%
Oilseeds and Products	0.486	0.343	–30%	6.800	6.967	2%	7.338	7.5	2%
Soybeans	0.239	0.174	–27%	4.011	4.397	10%	4.311	4.6	7%
Soybean Cakes & Meals	0.095	0.047	–50%	1.235	1.073	–13%	1.334	1.2	–10%
Soybean Oil	0.045	0.029	–35%	0.326	0.304	–7%	0.356	0.4	12%
Other Vegetable Oils	0.037	0.040	7%	0.445	0.457	3%	0.491	NA	NA
Livestock Products	0.483	0.477	–1%	5.431	5.405	0%	5.973	6.0	0%
Red Meats	0.243	0.250	3%	2.663	2.792	5%	2.935	3.1	6%
Hides & Skins	0.114	0.107	–5%	1.204	1.165	–3%	1.317	1.3	–1%
Poultry Products	0.100	0.120	20%	1.090	1.197	10%	1.195	1.3	9%
Poultry Meat	0.079	0.094	18%	0.810	0.904	12%	0.887	NA	NA
Dairy Products	0.074	0.081	10%	0.655	0.803	22%	0.733	0.9	23%
Horticultural Products	0.504	0.587	16%	6.277	6.589	5%	6.844	7.1	4%
Unmanufactured Tobacco	0.059	0.069	17%	1.494	1.379	–8%	1.568	1.5	–4%
Cotton and Linters	0.092	0.085	–8%	2.115	1.463	–31%	2.195	1.4	–36%
Planting Seeds	0.043	0.032	–25%	0.606	0.617	2%	0.667	0.7	5%
Sugar & Tropical Products	0.135	0.158	17%	1.554	1.648	6%	1.706	1.8	6%
Forest Products 4/	0.572	0.601	5%	6.163	6.765	10%	6.761	NA	NA
<b>Total Agriculture</b>	<b>3.082</b>	<b>2.933</b>	<b>–5%</b>	<b>38.948</b>	<b>39.242</b>	<b>1%</b>	<b>42.314</b>	<b>42.5</b>	<b>0%</b>

Export Volumes	– MMT –			Change	– MMT –			Change	– MMT –			Change
Grains and Feeds 1/	7.905	7.068	–11%		92.758	95.870	3%		NA	NA	NA	
Wheat	2.687	2.735	2%		31.823	33.235	4%		34.289	35.5	4%	
Wheat Flour	0.055	0.034	–39%		0.764	0.996	30%		0.808	1.1	36%	
Rice	0.132	0.250	89%		2.055	2.450	19%		2.281	2.5	10%	
Feed Grains 2/	3.965	3.023	–24%		45.567	46.146	1%		50.195	50.7	1%	
Corn	3.441	2.507	–27%		36.690	38.244	4%		40.597	42.0	3%	
Feeds & Fodders	0.927	0.861	–7%		10.745	10.943	2%		11.711	11.8	1%	
Oilseeds and Products	1.822	1.114	–39%		26.756	28.032	5%		28.881	29.9	4%	
Soybeans	1.066	0.670	–37%		17.884	19.581	9%		19.247	20.5	7%	
Soybean Cakes & Meals	0.457	0.226	–51%		5.814	5.336	–8%		6.301	5.7	–10%	
Soybean Oil	0.093	0.053	–44%		0.683	0.599	–12%		0.747	0.7	–6%	
Other Vegetable Oils	0.065	0.062	–5%		0.705	0.765	9%		0.782	NA	NA	
Livestock Products 3/	0.230	0.218	–5%		2.490	2.600	4%		2.770	NA	NA	
Red Meats	0.069	0.076	11%		0.791	0.827	4%		0.870	0.9	3%	
Poultry Products 3/	0.077	0.101	31%		0.742	0.916	23%		0.821	NA	NA	
Poultry Meat	0.074	0.098	32%		0.712	0.882	24%		0.787	0.9	14%	
Dairy Products 3/	0.038	0.037	–2%		0.354	0.421	19%		0.399	NA	NA	
Horticultural Products 3/	0.405	0.477	18%		5.510	5.626	2%		5.951	6.2	4%	
Unmanufactured Tobacco	0.010	0.010	4%		0.233	0.221	–5%		0.246	NA	NA	
Cotton & Linters	0.069	0.065	–6%		1.466	1.105	–25%		1.527	1.2	–21%	
Planting Seeds	0.064	0.018	–72%		0.629	0.530	–16%		0.705	NA	NA	
Sugar & Tropical Products 3/	0.080	0.071	–12%		0.995	0.817	–18%		1.102	NA	NA	
<b>Total Agriculture 3/</b>	<b>10.70</b>	<b>9.18</b>	<b>–14%</b>		<b>131.93</b>	<b>136.14</b>	<b>3%</b>		<b>143.64</b>	<b>147.0</b>	<b>2%</b>	

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

Note: FY 1993 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published on August 27, 1993.

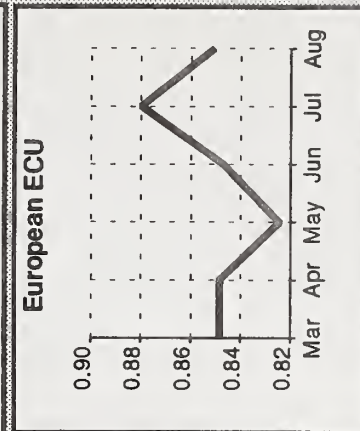
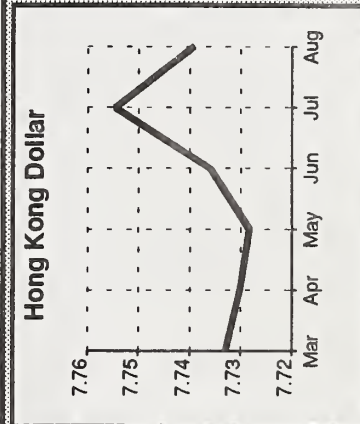
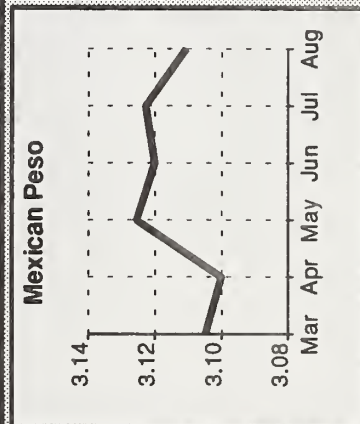
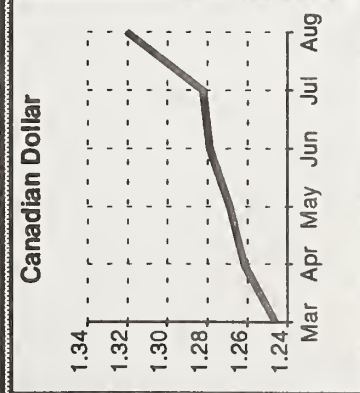
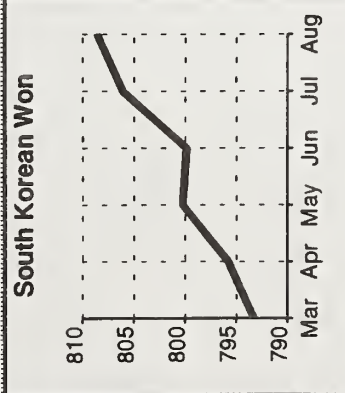
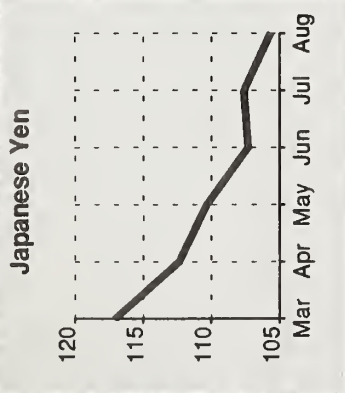
**U.S. Agricultural Export Value by Region**  
**Monthly and Annual Performance Indicators**

	August			October–August			Fiscal Year		
	1992	1993	Change	FY '92	FY '93	Change	1992	1993(f)	Change
	–\$Billion–			–\$Billion–			–\$Billion–		
Western Europe	0.438	0.392	–11%	7.110	7.039	–1%	7.726	7.8	1%
European Community	0.398	0.350	–12%	6.624	6.607	–0%	7.183	7.3	2%
Other Western Europe	0.040	0.042	3%	0.486	0.432	–11%	0.543	0.5	–8%
Eastern Europe	0.017	0.024	41%	0.182	0.435	139%	0.221	0.5	126%
Former Soviet Union	0.188	0.073	–61%	2.575	1.357	–47%	2.640	1.6	–39%
Asia	1.176	1.206	3%	14.754	14.517	–2%	15.989	15.7	–2%
Japan	0.629	0.679	8%	7.715	7.714	–0%	8.364	8.2	–2%
China	0.019	0.012	–36%	0.670	0.306	–54%	0.690	0.4	–42%
Other East Asia	0.337	0.369	10%	4.523	4.499	–1%	4.929	4.9	–1%
Taiwan	0.124	0.157	27%	1.753	1.812	3%	1.913	2.0	5%
South Korea	0.154	0.139	–10%	2.019	1.867	–8%	2.200	2.0	–9%
Hong Kong	0.059	0.070	18%	0.750	0.805	7%	0.816	0.9	10%
Other Asia	0.190	0.145	–24%	1.847	1.999	8%	2.005	2.2	10%
Pakistan	0.045	0.017	–61%	0.209	0.189	–9%	0.226	0.2	–12%
Philippines	0.040	0.026	–36%	0.400	0.475	19%	0.442	0.6	36%
Middle East	0.144	0.126	–12%	1.581	1.704	8%	1.717	1.9	11%
Israel	0.034	0.022	–36%	0.323	0.334	3%	0.342	0.3	–12%
Saudi Arabia	0.044	0.036	–19%	0.455	0.400	–12%	0.506	0.4	–21%
Africa	0.221	0.161	–27%	1.918	2.425	26%	2.201	2.8	27%
North Africa	0.098	0.101	3%	1.200	1.461	22%	1.312	1.8	37%
Egypt	0.056	0.066	18%	0.642	0.687	7%	0.709	0.8	13%
Algeria	0.018	0.016	–14%	0.368	0.387	5%	0.382	0.5	31%
Sub–Saharan Africa	0.123	0.060	–52%	0.718	0.964	34%	0.889	1.0	12%
Latin America	0.468	0.484	3%	5.856	6.268	7%	6.384	6.7	5%
Mexico	0.255	0.243	–5%	3.377	3.371	–0%	3.653	3.8	4%
Other Latin America	0.214	0.242	13%	2.479	2.897	17%	2.731	2.9	6%
Brazil	0.006	0.017	188%	0.136	0.214	57%	0.143	0.3	110%
Venezuela	0.042	0.031	–27%	0.351	0.454	30%	0.393	0.4	2%
Canada	0.389	0.416	7%	4.396	4.786	9%	4.804	5.1	6%
Oceania	0.030	0.044	47%	0.385	0.407	6%	0.424	0.4	–6%
WORLD TOTAL ...	3.082	2.933	–5%	38.950	39.243	1%	42.314	42.5	0%

*Note: FY 1993 forecasts are based on USDA's "Outlook for U.S. Agricultural Exports," published on August 27, 1993.*



# Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 10/15/93	Month Ago 9/15/93	Year Ago 10/92	% Change Year Ago 10/92
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.5088	1.5425	1.3850	8.93
Brazilian Cruzeiro real	142.58	104.15	683.1	-79.13
Canadian Dollar	1.3308	1.3224	1.2480	6.64
Hong Kong Dollar	7.7251	7.7342	7.7280	-0.04
Japanese Yen	107.08	108.85	120.20	-10.92
Mexican Peso	3.11	3.11	3.11	0.02
Taiwan Dollar	26.58	26.67	25.23	5.35
South Korean Won	811.40	808.60	783.60	3.55
European ECU	.85551	.84495	.74355	15.06
-British Pound	.6609	.6468	.5901	12.00
-French Franc	5.7260	5.6098	4.9320	16.10
-German Mark	1.6163	1.6095	1.4525	11.28

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, October 15, 1993.  
Source: TEID/ITP/FAS Exchange Rate Database and Wall Street Journal.

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*Agricultural Trade Highlights* staff includes:

### Production Assistants

Paula Lane  
Anne Player

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